

# BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.

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## OCTOBER NEWSLETTER

### TWO WEEKS OF PAIN AND UNCERTAINTY: CALIFORNIANS MOST HURT BY THE FEDERAL GOVERNMENT SHUTDOWN



From Tuesday, October 1st to Wednesday, October 16th, the nation experienced federal department closures, federal employee furloughs, and cessation of funding to programs that had immediate and pending consequences to many of our most vulnerable Americans. Many will continue to feel the effects of the federal government shutdown until programs are fully restored, and the backlogs created by the closure are addressed.

Economists estimate that the shutdown cost the gross domestic product approximately \$3.1 billion solely from lost government services. Non-governmental entities also were hurt by loss of business. Many employers were forced to lay-off workers or cut employee hours. Although federal government workers will receive retroactive pay, non-governmental workers affected by the shutdown may never recover their lost income. Additionally, many Californians were not served during the shutdown by programs funded directly by the federal government or state programs funded in part by the federal government.

California is home to 150,762 federal employees or 8.15 percent of the federal government civilian workforce.

#### Who Felt the Shutdown Most?

**Disadvantaged Women, Infants, and Children:** No additional funds covering costs such as clinical services, food benefits, and administrative expenses were available to support the Special Supplemental Nutrition Program for Women, Infants and Children.

**Children in Head Start:** The shutdown brought 20 special Head Start programs, slated for renewal on October 1st, to a close. Other programs whose renewal dates were fast approaching faced the same fate.

**Disabled Persons:** The Social Security Administration did not have enough staff to schedule new hearings for those applying for disability benefits. The Veterans Appeal Board closed, which meant veterans appealing a decision on disability benefits had to wait until the shutdown ends.

#### What Other Significant Public Programs Were Affected?

**National Parks and Museums:** More than 400 national parks and museums closed, including Yosemite National Park, Alcatraz Island, and Muir Woods in California.

**Centers for Disease Control and Prevention:** The Centers for Disease Control and Prevention (CDC) closed, setting back the annual seasonal influenza program. The CDC also ceased support to state and local partners for infectious disease surveillance.

**Housing Vouchers:** The Department of Housing and Urban Development did not provide local housing authorities with additional money for housing vouchers.

To learn more about services provided by the State Board of Equalization, please call my office or visit my web site at:  
[www.boe.ca.gov/members/yee](http://www.boe.ca.gov/members/yee)

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## GASOLINE CONSUMPTION DECLINES, DIESEL CONSUMPTION UP IN SECOND QUARTER 2013

In April, May, and June 2013, Californians consumed 3.68 billion gallons of gasoline. During those same months in 2012, they consumed 3.69 billion gallons. The difference indicates a 0.2 percent decline in consumption.

In California, the average price of gasoline was \$4.04 per gallon during the second quarter of 2013. Nationally, the average price was \$3.67 per gallon.

The Board of Equalization (BOE) estimates [statewide gasoline tax-related revenues](#) for the months of April, May, and June 2013 are \$450 million in sales taxes and \$1.326 billion in excise taxes.

### Diesel Fuel

In April, May, and June 2013, Californians consumed 687 million gallons of diesel fuel.

During those same months in 2012, they consumed 676 million gallons. The difference indicates a 1.6 percent increase in consumption.

In California, the average price of diesel fuel was \$4.07 per gallon during the second quarter of 2013. Nationally, the average price was \$3.88 per gallon.

The BOE estimates [statewide diesel fuel tax-related revenues](#) for the months of April, May, and June 2013 are \$251 million in sales taxes and \$79 million in excise tax.



**Fun Fact:** The First District is home to many pumpkin growers. Half Moon Bay calls itself the World Pumpkin Capital, and is famous for its annual [art and pumpkin festival](#) and championship pumpkin weigh-off. This year's winning gigantic gourd tipped the scales at 1,985 pounds!

## SWEET SUCCESS—FIRST DISTRICT SMALL BUSINESS PROFILE



*Look what's in the First District if you have a sweet tooth!*



DRAKES GLEN CREATIONS

## CANDY IS DANDY IN HUMBOLDT COUNTY

Sandra Nakashima and her son Michael started [Drakes Glen Creations](#) in Arcata. Their artisan chocolates, fudge, toffees, and truffles are sold throughout Humboldt County. Sandra makes her candy at the Foodworks Culinary Center, operated by the City of Arcata that facilitates small start-up food makers with a community kitchen. Drakes Glen Creations grew from a 250-square-foot space at Foodworks to 1000 square feet with its own kitchen.

Sandra says the chocolate making part of her business is the fun part, but the business side dealing with budgets, distribution, and planning for growth can be challenging. She has had good experiences getting her tax questions answered by BOE staff, and is interested in the [small business toolkits](#) on my website.

She sees small artisan chocolate businesses proliferating, especially since the passage last year of Assembly Bill 1616, the Cottage Food Act, to help facilitate and regulate home-based food businesses. Fortunately for Sandra and other confectioners, the First District is home to many candy lovers, including me.



## HALLOWEEN IS AROUND THE CORNER! DID YOU KNOW:

Some well-known names in the candy business have deep roots in the First District?

- Ghirardelli Chocolates are made in San Leandro.
- Guittard Chocolate factory is in Burlingame.
- See's Candy plant operates in South San Francisco.
- Jelly Belly produces jelly beans and candy corn at its Fairfield factory.
- C&H Pure Cane Sugar annually processes over 700,000 tons of sugar at the iconic C&H refinery in Crockett.



## FILIPINO AMERICAN HISTORY MONTH

Filipinos arrived on the shores of what is now California on October 18, 1587. They served as crew on Spanish galleons exploring the “New World.” For over 425 years, Filipinos have contributed so much to our culture. The month of October is designated as a time to celebrate and learn about Filipino history.

Many of us may be unfamiliar with Filipino history, but that is about to change. Governor Jerry Brown recently signed Assembly Bill 123 into law, requiring schools to include Filipino history and contributions to the farm labor movement in school history curriculum.

Filipinos are the largest group of Asian Pacific Islander Americans in California with over 1.5 million throughout the state—the greatest concentration of Filipinos outside of the Philippines. The Filipino population in California grew over 34 percent over the past ten years. In the First District, Daly City, just south of San Francisco, has a thriving Filipino community in which over 30 percent of residents share Filipino heritage.

## GLBT HISTORY MUSEUM

San Francisco’s [GLBT History Museum](#) is the only full-scale, stand-alone museum of gay, lesbian, bisexual, and transgender history and culture in the United States. Located in the city’s Castro District, the museum offers long-term and regularly changing exhibitions as well as public programs.



### OCTOBER IS LESBIAN, GAY, BISEXUAL, AND TRANSGENDER HISTORY MONTH

[LGBT History Month](#) 2013 focuses on the achievements of 31 lesbian, gay, bisexual, and transgender (LGBT) icons. Each day this month, a different LGBT leader or role model is featured in a video, biography, or bibliography that teachers can download for their classes.

In 1994, Missouri high-school teacher Rodney Wilson sought to dedicate a month to the teaching of gay and lesbian history in the classroom. He began taking steps towards establishing Lesbian and Gay History Month. Over time, “Bisexual” and “Transgender” were added to the title.

October was chosen for LGBT History Month because National Coming Out Day already falls on October 11th. Additionally, the first March on Washington for Lesbian, Gay and Bisexual Equal Rights and Liberation took place in October 1979.



## HIGH SCHOOL YOUTH CROSS THE GOAL LINE TO FINANCIAL FITNESS

Helping to draw attention to the importance of financial education, Ms. Yee joined San Francisco high school students as they “battled” in a game of [Financial Football](#). The interactive NFL-themed educational video game puts personal financial skills to the test, with two teams selecting “plays,” or questions, that when answered correctly, move the ball downfield.

It is never too early to learn how to manage money, establish a good credit rating, and save for the future. Financial Football is a fun way for youth to increase their financial literacy, in preparation for making sound financial decisions that can greatly affect the quality of their lives. Everyone is a winner in this game!



## IT’S HARVEST TIME: BOE RESOURCES FOR THE AGRICULTURAL INDUSTRY

California ranks first among all the states for total agriculture production, producing nearly half the fruits, nuts, and vegetables grown in the United States. Our dairies generate more fluid milk and butter than any other state. Only Texas outranks California in the livestock products category.

Tax issues specific to California’s important agricultural industry can be complicated. To help agricultural business owners and those that do business with farmers, the BOE recently posted [“The Tax Guide for Agricultural Industry”](#) on the BOE website. Information is available about [getting started](#), [farming exemptions](#), [industry topics](#) relating to sales of animals or feed, or drugs and medicines. Resources such as forms, publications, and regulations, are organized in clearly labeled tabs to help make finding industry business information easier.



## INSPIRATION AND ASPIRATIONS ARE HIGH AT THE RAVENSWOOD CITY SCHOOL DISTRICT:

A NOTE OF THANKS FROM  
BOARD MEMBER YEE

When Dr. Gloria Hernandez, Superintendent of the Ravenswood City School District, invited me to visit the District, I jumped at the opportunity. Located in East Palo Alto surrounded by some of the world's leading high-tech companies, the District serves a student population of which close to 80 percent are Latino.

I began my day by briefly addressing the session of District officials about the importance of their work in working collaboratively with community partners to establish and sustain a positive and expansive pupil experience. Then I witnessed first-hand the art and music classrooms and labs as well as the science classroom and equipment provided by private foundations and staffed by a corps of dedicated volunteers who are retired Silicon Valley careers.

My first stop was to the Belle Haven Community School in Menlo Park where I met with enthusiastic 6th graders. Each of the 6th graders

shot their hands in the air to respond to my question about the college they hope to attend: "Stanford!" "Harvard!" "USC!" "Princeton!"

I shared my personal story about growing up with little and was moved by the response when I spoke about my immigrant parents: heads nodding and the students giving voice to their own personal stories.

I encouraged the 6th graders to ask questions as the best way to learn. When asked what challenge they likely will face as they prepare for middle school, I shared that one of their biggest challenges would be how to manage their time effectively.

My next stop was to the Costaño School and 49ers Academy in East Palo Alto where I visited a kindergarten class working on an arithmetic exercise that incorporates word skills. The school is fortunate to enjoy some private support to assist with some school grounds improvements.

What a great day among promising young people! Awesome and dedicated Superintendent Gloria Hernandez, the principals, teachers, staff, parents, and volunteers inspire the vibrant students of the Ravenswood City School District! Thank you for a memorable day of learning from you and the students.



## INTERNATIONAL BUSINESS SEMINAR AND RESOURCE EXPO

Almost every corner of the world uses goods and services from California, a hub for global trade. The International Business Seminar and Resource Expo will convene in San Mateo on November 22nd. This event will bring business and government representatives together from California and Pakistan to present information about regulations, requirements, and opportunities to conduct trade and to establish binational business development between California and other countries. Organized by the Pakistani U.S. Chamber of Commerce, this international event is supported by the Board of Equalization and the Governor's Office of Business and Economic Development (GO-Biz).

[Register here.](#)

## ONLINE TUTORIALS AVAILABLE 24/7

Short on time?? [Online tutorials](#) offer useful information in a self-paced environment to help taxpayers comply with tax laws.



## BASIC SALES AND USE TAX WORKSHOP AND eFILE CLINICS

The Board of Equalization (BOE) offers free Basic Sales and Use Tax (BSUT) workshops and eFile clinics in different languages including English, Spanish, Chinese, Vietnamese and others to provide in-person support to taxpayers. A full list of [BSUT classes and eFile clinics](#) offered in the First Equalization District can be found [here](#).

- October 29: Basic Sales and Use Tax workshop in English (Fairfield)
- October 29: eFile Clinic in English (Oakland)
- October 30: eFile Clinic in English (Oakland)
- October 31: eFile Clinic in English (Oakland)
- October 31: eFile Clinic in English and Spanish (Santa Rosa)
- November 7: Basic Sales and Use Tax workshop in English (Salinas)
- December 5: Basic Sales and Use Tax workshop in English (San Jose)